

KENTUCKY DEPARTMENT OF EDUCATION

STAFF NOTE

Action/Discussion Item:

Preschool Funding, 2007-2008 Rates

Applicable Statute or Regulation:

KRS 157.226, KRS 157.3175, 702 KAR 3:250

Action Question:

Should the Kentucky Board of Education approve Preschool Program per-child rates and the set-aside for 2007-2008?

History/Background:

Existing Policy. The Kentucky Preschool Program is a statewide program serving 3- and 4-year-old children with disabilities and 4-year-olds whose family income falls within 150% of poverty guidelines. The preschool program provides a minimum of a half-day developmentally appropriate program with services that include meals and parent training and may include transportation. The preschool program also meets the comprehensive needs of children through collaboration with medical, health, mental health and social service agencies.

Policy Issues and Options:

Per-Child Rates. The per-child rate varies according to the child's status. There is a standard preschool rate for 4-year-old at-risk children without disabilities, and weighted amounts for 3- and 4-year-old children with disabilities according to three categories: developmental delay, speech/language and severe.

Each spring, the Kentucky Board of Education establishes the per-child rates for the Kentucky Preschool Program for the upcoming school year based on the budget approved by the legislature.

Funding Procedures. According to the *Preschool Funding Guidelines*, districts receive a tentative award at the beginning of the school year. The tentative award is calculated from the district's preschool enrollment from the previous year, multiplied times the per-child rates for the new school year. After the new school year enrollment count is collected on December 1, the district receives a final award notice. The final award has an upward adjustment if enrollment has grown by more than 5% over the past year. Districts with enrollment decreases of more than 5% are advised of an offset that will be deducted from the next year's disbursement (not taken from current year allocation).

Table I shows the preschool rates from 2001 to the current rate with the at-risk rate and each of the special education allocations listed separately. The biennial budget passed by the General Assembly included an increase in the 2006-2008 Preschool budget (\$23.5 million).

Table I. Preschool rates for at-risk and disabilities 2001-2006

Categories	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-08 Proposed
At-Risk	\$2,505	\$2,241	\$2,170	\$2,291	\$2,150	\$3,168	\$3,304
Speech/Language	\$2,639	\$2,353	\$2,279	\$2,405	\$2,258	\$3,327	\$3,469
Developmental Delays	\$3,403	\$3,317	\$3,038	\$3,207	\$3,011	\$4,436	\$4,626
Severe/Multiple Disabilities	\$5,565	\$4,257	\$4,123	\$4,353	\$4,086	\$6,020	\$6,278

State Enrollment Trends. Figure 1 shows the total enrollment trend in the state preschool program. Overall, there was a slight decrease in enrollment during 2005-06 for the first time in the history of the program. Figure 2 shows a slight increase in the at-risk population and a slight decrease in the number of participants with disabilities. One possible reason could be related to an updated version of an evaluation instrument (Batelle-Revised) that is widely used. This updated instrument provides a more accurate age appropriate evaluation, and districts began using the revised Battelle in 2005-2006.

Figure 1: State Funded December 1 count 1994-2006

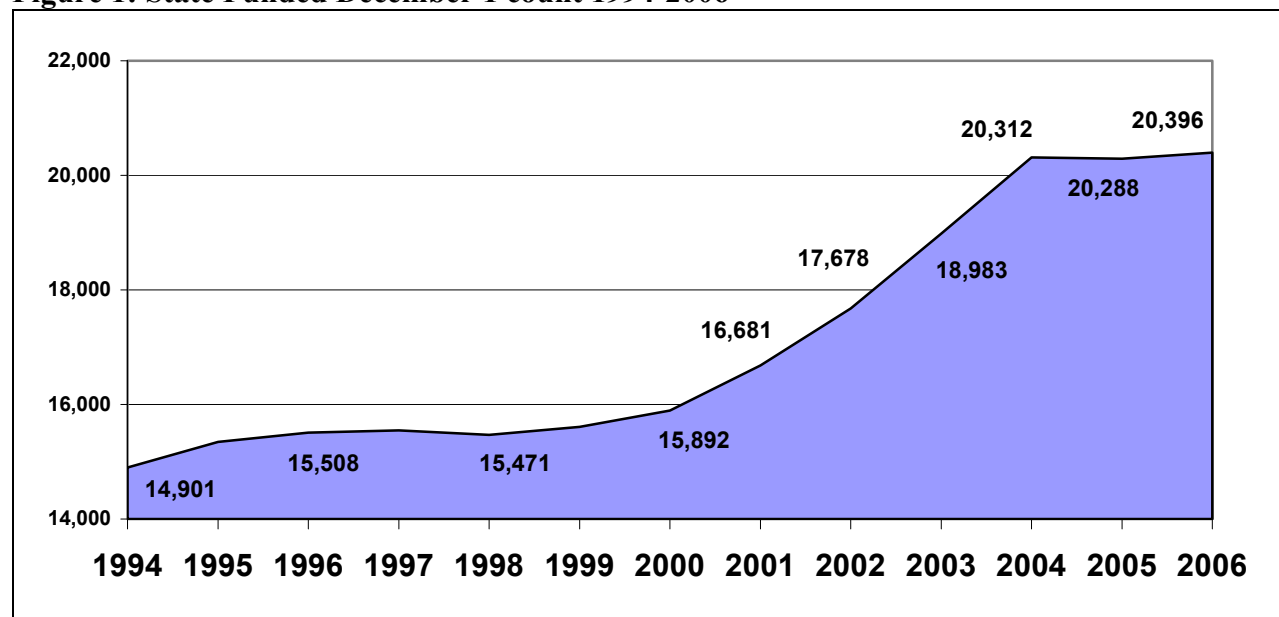
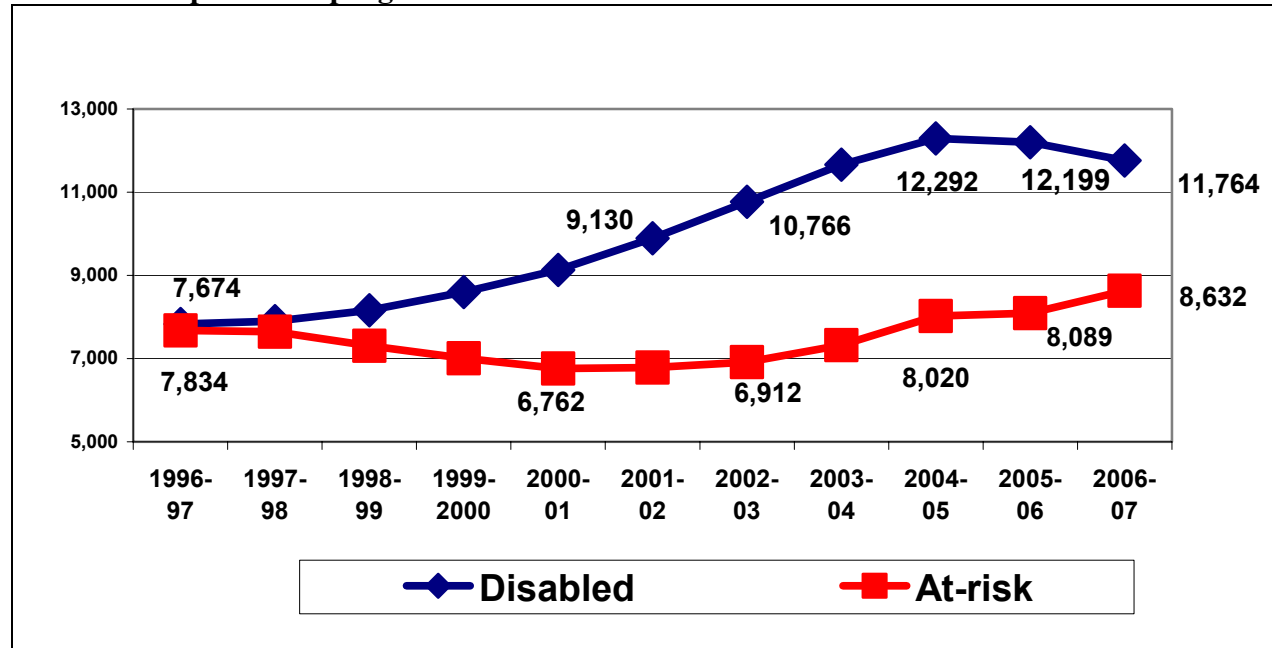


Figure 2. Number of at-risk children and children with disabilities served in Kentucky's state-funded preschool program 1996-2007.



District Challenges. Kentucky preschool coordinators continue to report transportation, and support for children with disabilities as their top funding challenges.

Rate Selection. It is anticipated that the preschool budget for 2007-2008 will remain the same; however, the rates will increase because there was a negative adjustment of almost \$4 million. There were fewer eligible children enrolled December 1, 2006 as compared to the December 1, 2005 report.

Table 2. Projected Preschool Program allocation formula for 2006-2007 school year with calculations for at-risk and children with disabilities and mid-year growth allocation.

2007-2008 Preschool Budget: \$75, 127,000

Per-Child Rates: At-Risk Only	\$3,304
Speech/Language	\$3,469
Mild/Developmental Delays	\$4,626
Severe/Multiple Disabilities	\$6,278
Maximum Available for Mid-Year Growth:	\$1,478,520

Staff Recommendation and Rationale:

Staff proposes that the Board approve the per-child rates for 2007-2008 and the mid-year growth amount that will provide funds for districts experiencing more than 5% growth based on the December 1, 2007 count.

Impact on Getting to Proficiency:

Every child is capable of learning and achieving at high levels regardless of socioeconomic background or of other issues of diversity. Adequate funding for preschool is essential for high-quality teaching and learning within strong and supportive classroom environments with qualified staff to enable children to enter the primary program ready to succeed.

Contact Person:

Starr Lewis, Associate Commissioner
Office of Teaching and Learning
(502) 564-2106
Starr.Lewis@education.ky.gov

Deputy Commissioner

Interim Commissioner of Education

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